

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	:	Chapter 11
FRANCHISE GROUP, INC., et al. ¹ ,	:	Case No. 24-12480 (JTD)
Debtors.	:	(Jointly Administered)
	:	
	:	
	:	RE: D.I. 363, 365

**AD HOC GROUP OF FREEDOM LENDERS' MOTION FOR LEAVE TO FILE AND
SERVE LATE REPLIES IN SUPPORT OF THEIR MOTIONS: (1) FOR ENTRY OF AN
ORDER (I) ADJOURNING THE SECOND DAY HEARING SET FOR DECEMBER 10,
2024, (II) EXTENDING THE OBJECTION DEADLINES IN CONNECTION WITH THE
SECOND DAY HEARING AND (III) GRANTING RELATED RELIEF, AND (2) FOR
ENTRY OF AN ORDER (I) TERMINATING EXCLUSIVITY IN THE HOLDCO
DEBTORS' CASES, (II) LIFTING THE AUTOMATIC STAY IN THE HOLDCO
DEBTORS' CASES, OR (III) APPOINTING A CHAPTER 11 TRUSTEE FOR THE
HOLDCO DEBTORS**

The Ad Hoc Group of Freedom Lenders (the “**Freedom Lender Group**”) consisting of certain of the Lenders (the “**HoldCo Lenders**”), as defined in that certain Credit Agreement, dated as of August 21, 2023 (as amended, restated, supplemented or otherwise modified, the “**HoldCo Credit Agreement**” and the facility thereunder, the “**HoldCo Facility**”), among Freedom VCM

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

Interco, Inc. as Borrower, Freedom VCM, Inc. as Holdings (together with Freedom VCM Interco, Inc., the “**HoldCo Debtors**”), Alter Domus (US) LLC as administrative agent, and the lenders party thereto, by and through their undersigned counsel, move this Court for leave to file and serve late replies (the “**Motion for Leave**”) in support of their: 1) Emergency Motion for Entry of an Order (I) Adjourning the Second Day Hearing Set for December 10, 2024, (II) Extending the Objection Deadlines in Connection with the Second Day Hearing and (III) Granting Related Relief (the “**Motion to Adjourn**”); and 2) Motion for Entry of an Order (I) Terminating Exclusivity in the Holdco Debtors’ Cases, (II) Lifting the Automatic Stay in the Holdco Debtors’ Cases, or (III) Appointing a Chapter 11 Trustee for the Holdco Debtors (D.I. 192) (the “**Exclusivity Termination Motion**,” and, together with the Motion to Adjourn, the “**Motions**”), and in support of the Motion for Leave states as follows:²

BACKGROUND

1. On November 3, 2024 (the “**Petition Date**”), the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Court.
2. On November 11, 2024, the HoldCo Debtors (along with all other Debtors) filed the Proposed Plan without discussing it with any creditors, including the Freedom Lender Group. Additional factual background and information regarding the Plan are set forth in the Exclusivity Termination Motion.
3. However, briefly stated, there are conflicts of interest in the Proposed Plan which can only be resolved by (i) terminating the exclusivity period so as to allow the Freedom Lender Group to propose and solicit its own plan for the HoldCo Debtors, or (ii) lifting the automatic stay

² In support of the Motion, the Freedom Lender Group relies upon and incorporates by reference the Declaration of Brett Bakemeyer in Support of the Exclusivity Termination Motion (D.I. 193). Capitalized terms used but not defined herein have the meaning given to them in the Exclusivity Termination Motion (D.I. 192).

to permit the HoldCo Lenders to exercise their non-bankruptcy remedies, or (iii) appointing a Chapter 11 trustee to ensure that the HoldCo Debtors are abiding by their fiduciary duties. And, given this need, it was also necessary to seek adjournment of the Second Day Hearing set for December 10, 2024.

4. Accordingly, on November 20, 2024, the Freedom Lender Group filed the Exclusivity Termination Motion (D.I. 192) and the Motion to Adjourn (D.I. 194). Debtors and the Ad Hoc Group of First Lien Lenders filed Objections to the Exclusivity Termination Motion and the Motion to Adjourn on December 3, 2024 (D.I. 297, 298, 299, and 303). The Freedom Lender Group now seeks to file late reply briefs to respond to the issues raised by the Debtors and the Ad Hoc Group of First Lien Lenders.

JURISDICTION

5. This Court has jurisdiction over the Motion for Leave pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated as of February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and, pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the Freedom Lender Group consents to the entry of a final order by the Court in connection with this Motion.

RELIEF REQUESTED

6. Pursuant to Rule 9006-1(d) of the Local Rules, the Freedom Lender Group requests entry of an order, substantially in the form attached hereto as Exhibit A, authorizing the Freedom Lender Group to file and serve late replies (the “**Reply**”) beyond the deadline set forth in Local Rule 9006-1(d), in support of the Freedom Lender Group’s Exclusivity Termination Motion.

BASIS FOR RELIEF

7. Pursuant to Local Rule 9006-1(d), “[r]eply papers . . . may be filed and, if filed, shall be served so as to be received by 4:00 p.m. prevailing Eastern Time the day prior to the deadline for filing the agenda.” The agenda for the hearing related to the Exclusivity Termination Motion is due at noon (Eastern) on December 6, 2024. Accordingly, pursuant to Local Rule 9006-1(d), the deadline to file the Reply is 4:00 p.m. (Eastern) on December 5, 2024 (the “**Reply Deadline**”). In response to the Exclusivity Termination Motion and the Motion to Adjourn, the Freedom Lender Group received objections from the Debtors and the Ad Hoc Group of First Lien Lenders (D.I. 297, 298, 299, and 303).

8. Particularly, the Objections to the Exclusivity Termination Motion are wide ranging and of substantive depth. The requested extension of time to file the Reply will allow the Freedom Lender Group more time to address the matters raised in the Objections to both the Exclusivity Termination Motion and the Motion to Adjourn. For these reasons, the Freedom Lender Group respectfully submits that cause exists to grant the relief requested by this Motion for Leave and approve an extension of time by which to file the Reply under Local Rule 9006-1(d).

NOTICE

9. The Freedom Lender Group will provide notice of this Motion to the following parties: (a) the Office of the United States Trustee for the District of Delaware; (b) the Debtors; (c) the Ad Hoc Group of First Lien Lenders; and (d) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Freedom Lender Group submits that, in view of the nature of the relief requested, such notice is sufficient and no other or further notice need be provided.

NO PRIOR REQUEST

10. No previous request for the relief sought herein has been made by the Freedom Lender Group to this or any other Court.

CONCLUSION

WHEREFORE, the Freedom Lender Group respectfully requests that the Court enter an order, substantially in the form attached hereto as Exhibit A, granting the relief requested herein to allow the Freedom Lender Group to file and serve late replies and grant any further relief as the Court may deem just and proper.

Dated: December 6, 2024

Respectfully submitted,

FARNAN LLP

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